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SUBJECT: SOUTH AFRICA IS READY FOR THE 2010 FIFA WORLD CUP

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1. (U) Summary. Tourism leaders from around the world made their way to the Tourism Indaba, Africa's biggest annual travel trade show, hosted in Durban from May 7 - 12. The theme of this year's Indaba was 'South Africa is ready for 2010'. The public-private tourism promotion agency, South African Tourism (SAT) Board launched a multi-million dollar 2010 FIFA World Cup campaign at the Indaba that will reach 600 million people between now and kick-off. Industry leaders are taking the global recession seriously, but they are confident that 2010 will attract billions to South Africa's economy. The South Africa government has invested millions of dollars not only in infrastructural readiness but also in ensuring the safety of the fans that plan to visit South Africa for 2010. End Summary.

Indaba Overview

2. (U) Tourism leaders and exhibitors from around the world made their way to the Tourism Indaba, Africa's biggest annual travel trade show, which was hosted in Durban from May 7 - May 12. The theme of this year's Indaba was 'South Africa is ready for 2010'. Organizers had hoped to surpass last year's participation level, but attendance at the Indaba was down this year by 2.35 percent to 12,002 people. There were 1.3 percent fewer exhibitors at the Indaba this year but 10.24 percent more journalists, 673 in total. The drop in attendance was expected by some in light of the global economic crisis and an industry whose growth has slowed significantly in the last nine months with many tourism businesses closing down.

Ready for 2010

3. (U) The message at the Indaba was loud and clear: South Africa is ready to welcome the world for 2010. 'Forget about Plan B,' Tourism KwaZulu-Natal (TKZN) Chairwoman Tholakele Dlamini told the TKZN chief executive's business breakfast, which provided details of the province's state of readiness. While Dlamini was talking about KZN's state of readiness, it was the same story across the country, said SAT Acting CEO Didi Moyle. 'We are now standing on the brink of the biggest sports event in the world, in our lifetime and our country,' she said at the opening ceremony. 'It is time for us as South Africans to start to celebrate.'

4. (U) South Africa is ready to host the world, and it wants the

world to know that 2010 is going to be a `spectacular display of passion, of celebration, of excitement, of rhythm and of efficiency,' declared SAT Board Chairman Jabu Mabuza at the official opening of the Indaba. South Africa accepts the responsibility to ensure that visitors to the tournament return home as enthusiastic ambassadors for the country,' assured Mabuza. FIFA's first phase for ticket applications drew more than 1.6 million applications, and the second phase that opened on May 4th drew 11,000 online applications in the first two hours of opening, according to Mabuza. Fans in the U.S. are leading the way in foreign ticket sales, having already purchased 93,000 tickets, and the U.S. paid the most for 2010 FIFA World Cup broadcast rights. U.S. Major League Soccer Commissioner Don Garber said ABC/ESPN and Univision would be paying FIFA a combined \$325 million for English and Spanish U.S. television rights to the 2010 and 2014 tournaments. `Clearly the world is excited and wants to come. The tournament is going to have a massive turnout and be a huge success,' declared Mabuza.

¶5. (U) The focus of this year's Indaba was on 2010 and other global events coming to South Africa. According to Moyle, `Our focus for Indaba 2009 is all about creating the urgency of now. Our campaign is to get all South Africans on their feet to promote what a welcoming and fantastic destination South Africa is. We need to stop seeing the glass half full when it comes to ¶2010. After the Indaba there are almost 400 more days of marketing opportunities and the challenge is to get out there and do it! History is being made!'

¶6. (U) Mabuza told a packed Chief Albert Luthuli Convention Centre Auditorium that 2010 brought great opportunity to the

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South African travel industry. `The eyes of the world are already on us. We confidently expect 300,000 visitors in South Africa for the World Cup and we remain cautiously optimistic of attaining our ambition to welcome 10 million visitors in 2010. This is the biggest showcase of capability and hospitality in the history of the country,' noted Mabuza.

Marketing Campaign

¶7. (U) SAT launched its multi-million dollar 2010 FIFA World Cup campaign at the Indaba Opening Ceremony. Moyle called it a `big, bold, exciting campaign' that will reach 600 million people between now and kick-off and will be broadcast on the world's premier global television channels: CNN International, BBC World, EuroSport, Sky News, and Fox. The campaign comprises a 60-second television commercial, a 2010 website, social media components and a strong public relations drive. It celebrates the spirit of South Africa and proclaims to the world that the nation is ready, excited, and celebrating its opportunity to host 2010.

¶8. (U) The central campaign theme is that this is Africa's World Cup, hosted on its behalf by South Africa. `From the onset, we have said that this World Cup does not belong to South Africa alone, but to all of Africa,' said Moyle. At the heart of the Africa campaign is an invitation for Africa to unite and rally behind 2010, while the domestic focus is on celebrating ordinary South Africans as champions who will make the 2010 event a reality and a stunning success. It also calls on South Africans to prepare themselves to welcome the world and be warm, hospitable, and generous hosts. Both campaigns celebrate Africa's passion for football. This celebration drives

excitement for a soccer championship that is going to be 'colorful, vibrant, intoxicating and alive with a fusion of cultures, dance, song, and music,' according to International Marketing Council of South Africa Acting CEO Paul Bannister. There will also be an extensive online campaign component that includes a web site, and social media to complement the television commercials. An extensive global editorial and public relations campaign is also in place. All adverts are uniquely South African, and they are 'warm, inspirational and make you feel proud. They are about celebration, solidarity and they encapsulate the African spirit of Ubuntu [or human kindness],' said Bannister. The commercials began airing throughout Africa on May 11 on numerous television channels.

Global Recession's Impact on 2010 and Tourism

¶9. (U) A highlight of the Indaba was the Indaba Global Media Face-off hosted by CNN and moderated by Richard Quest. The media event was attended by more than 200 journalists who came from all over world to hear about the nation's state of readiness; to investigate the impact of the global recession on the industry; and to learn about the opportunities that big events such as 2010 offer the South African tourism industry. The Global Media face-off also examined safety and security measures in place for 2010, the state of airport readiness, and the challenges facing the host broadcaster, the South African Broadcasting Corporation (SABC).

¶10. (U) The financial meltdown is testing the industry globally; however, the South African economy and industry felt the effects less keenly than giant economies that had recorded double digit growth in recent times, said Pan African Advisory Services CEO Iraj Abedian. 'When their economies fall, our economy enjoys relative improvement' - a theory which will now be tested given that South Africa's economy is officially in recession. The World Cup will attract billions to South Africa's economy, but its real and long-term value lies in the exposure it will give the country and in the view that it will offer the world of South Africa's capability, efficiency, and attractiveness as a world-class investment and leisure destination, explained Abedian. South Africa is on track to prove itself to the world, said FIFA 2010 consultant Horst R. Schmidt. 'The arenas and airports are ready, or will be ready in good time.' At least seven times the number of people would

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watch matches at the fan parks as opposed to the soccer stadia, said Schmidt. This would be where the vast majority of fans in South Africa will have their best World Cup experiences. The responsibilities of the host broadcaster are enormous, and the SABC is well-equipped to meet them in so far as technology, human capacity and experience were concerned, confirmed Schmidt.

Schmidt and 2010 Local Organizing Committee CEO Danny Jordaan are confident that South African will be ready with 13 months to go to kick-off.

¶11. (U) Mabuza cautioned the industry, too. 'Times are tough out there, and our industry is feeling the effects. It's time to be sober, sensible and cautious.' Mabuza added, however, that the industry and SAT are working hard to market the destination and to make the most of the opportunities the 2009 Confederations Cup and 2010 World Cup present. The tourism industry perhaps took things for granted, before the credit crunch kicked in, believing that tourists would flock to the soccer extravaganza. 'But we cannot take things for granted now. We've got to engage every possible tour operator and agent who comes to the Indaba trade travel show to bring in as many people as possible,' said TKZN CEO Ndabo Khoza.

South African National Parks (SANParks)

¶12. (U) SANParks could earn up to \$6 million during the month-long soccer spectacular, said SANParks Managing Executive of Tourism and Marketing Glenn Phillips. The World Cup will take place during extended school holidays in South Africa and as SANParks wants to retain its normal client base, it has decided to reserve just 30 percent of its beds for visiting soccer fans. Most soccer fans opting for park lodging will end up going to Kruger National Park, which has dedicated three of its camps to the event: Skukuza, Berg en Dal and Pretoriuskop. A total of 2,256 beds will be filled at the camps every day. An additional 420 beds have been added and new mobile tents can also be used to provide additional inventory to parks in other locations that lack sufficient accommodation during the high season. It is estimated that 15,000 people would be introduced to the national parks for the first time.

Security

¶13. (U) The South Africa government has invested millions of dollars not only in infrastructural readiness but also in ensuring the safety of the hundreds of thousands of fans who plan to visit South Africa for 2010, said South African Police Services Senior Superintendent Vish Naidoo. 'South Africa has learned from other host nations, from Japan and Korea, from Germany, and from Beijing on best practice security and safety measures for big crowd events. South Africa's very own security practices, such as the one implemented for the World Summit on Sustainable Development in 2002, for example, have been adopted as international safety and security best-practice by the United Nations.' Naidoo said the government had invested more than \$168 million in the last five years to boost policing, and South Africa would use the services of more than 52,000 overall and about 700 police officers on patrol in stadiums for each of the tournament's matches. Danny Jordaan noted during a New York news conference on May 30 that the South African government has a \$163 million budget for policing during 2010.

Comment

¶14. (SBU) The tone of the Indaba was upbeat and hopeful, but some industry leaders are anxious about the potential impact of the global recession (and of South Africa's own recently declared economic downturn) on 2010. However, the South African government has invested millions in preparation efforts and seems confident that 2010 will lure a world eager for diversion in a time of turmoil. Ticket sales for the World Cup have been strong thus far and are expected to pick-up once the final qualifying teams are announced at the end of this year.

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